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What is claimed is:

- 1. A DNA molecule comprising an isolated DNA sequence encoding a BMP-12 related protein.
- 2. A DNA molecule according to claim 1, wherein said DNA sequence is selected from the group consisting of:
 - (a) nucleotides #496\#571 or #577 to #882 of SEQ ID NO:1;
 - (b) nucleotides #605 or #659 to #964 of SEQ ID NO:25; and
- (c) sequences which hybridize to (a) or (b) under stringent hybridization conditions and encode a BMP-12 related protein which exhibits the ability to form tendon/ligament-like tissue.
- 3. A DNA molecule comprising the DNA sequence of claim 1 wherein said DNA sequence is selected from the group consisting of:
- (a) nucleotides encoding for amino acids #-25, #1 or #3 to #104 of SEQ ID NO:2;
- (b) in a 5' to 3' direction, nucleotides encoding a propeptide selected from the group consisting of native BMP-12 propeptide and a BMP protein propeptide; and nucleotides encoding for amino acids #-25, #1 or #3 to #104 of SEQ ID NO:2; and
- (c) nucleotides encoding for amino acids #1 or #19 to #120 of SEQ ID NO:26;
- (d) in a 5' to 3' direction, nucleotides encoding a propeptide selected from the group consisting of native BMP-12 propertide and a BMP protein propertide; and nucleotides encoding for amino acids #1 or #19 to #120 of SEQ ID NO:26;
- (e) sequences which hybridize to any of (a) through (d) under stringent hybridization conditions and encode a BMP-12 related protein which exhibits the ability to form cartilage and/or bone.
 - 4. A host cell transformed with a DNA molecule according to claim 1.
 - 5. A host cell transformed with the DNA molecule of claim 2.
 - 6. A host cell transformed with the DNA molecule of claim 3.
- 7. An isolated DNA molecule having a sequence encoding a BMP-12 protein which is characterized by the ability to induce the formation of

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tendon/ligament-like tissue, said DNA molecule comprising a DNA sequence selected from the group consisting of:

(a) nucledtide #496, #571 or #577 to #882 of SEQ ID NO:1;

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- (b) nucleotide #605 or #659 to #964 of SEQ ID NO:25; and
- (c) naturally occurring allelic sequences and equivalent degenerative codon sequences of (a) or (b).
 - 8. A host cell transformed with the DNA molecule of claim 7.
- 9. A vector comprising a DNA molecule of claim 7 in operative association with an expression control sequence therefor.
 - 10. A host cell transformed with the vector of claim 9.
- 11. A method for producing a purified BMP-12 protein, said method comprising the steps of:
- (a) culturing a host cell transformed with a DNA molecule according to claim 2, comprising a nucleotide sequence encoding a BMP-12 related protein; and
- (b) recovering and purifying said BMP-12 related protein from the culture medium.
- 12. A method for producing a purified BMP-12 related protein said method comprising the steps of:
- (a) culturing a host cell transformed with a DNA molecule according to claim 3, comprising a nucleotide sequence encoding a BMP-12 related protein; and
- (b) recovering and purifying said BMP-1/2 related protein from the culture medium.
- 25 13. A method for producing a purified BMP 12 related protein said method comprising the steps of:
 - (a) culturing a host cell transformed with a DNA molecule according to claim 7, comprising a nucleotide sequence encoding a BMP-12 related protein; and
- 30 (b) recovering and purifying said BMP-12 related protein from the culture medium.

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- 14. A purified polypeptide comprising an amino acid sequence selected from the following group:
- (a) from amino acid #-25 to amino acid #104 as set forth in SEQ ID NO:2:
 - (b) from amino acid #1 to amino acid #104 as set forth in SEQ ID NO:2.
 - (c) from amino acid #3 to amino acid #104 as set forth in SEQ ID NO:2.
- (d) from amino acid #\u00e1\u00fc to amino acid #120 as set forth in SEQ ID NO:26; and
- (d) from amino acid #19 to amino acid #120 as set forth in SEQ ID NO:26.
 - 15. A purified polypeptide wherein said polypeptide is in the form of a dimer comprised of two subunits, each with the amino acid sequence of claim 14.
 - 16. A purified protein produced by the steps of
 - (a) culturing a cell transformed with a DNA molecule comprising the nucleotide sequence from nucleotide #496, #5 1 or #577 to #882 as shown in SEQ ID NO:1; and
 - (b) recovering and purifying from said culture medium a protein comprising the amino acid sequence from amino acid #-25, amino acid #1 or amino acid #3 to amino acid #104 as shown in SEO NO NO:2.
 - 17. A parified BMP-12 related protein characterized by the ability to induce the formation of tendon/ligament-like tissue.
 - 18. A pharmaceutical composition comprising an effective amount of the BMP-12 related protein of claim 17 in admixture with a pharmaceutically acceptable vehicle.
 - 19. A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising Administering to said patient an effective amount of the composition of claim 18.
 - 20. A pharmaceutical composition for tendon/ligament-like tissue healing and tissue repair said composition comprising an effective amount of the protein of a BMP-12 related protein in Apharmaceutically acceptable vehicle.

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- 21. A method for treating tendinitis, or other tendon or ligament defect in a patient in need of same, said method comprising administering to said patient an effective amount of the composition of claim 20.
- 22. A chimeric DNA molecule comprising a DNA sequence encoding a propertide from a member of the TGF- β superfamily of proteins linked in correct reading frame to a DNA sequence encoding a BMP-12 related polypeptide.
- 23. A chimeric DNA molecule according to claim 22, wherein the propeptide is the propeptide from BMP-2.
- 24. A heterodimeric protein molecule comprising one monomer having the amino acid sequence of the polypeptide of claim 14, and one monomer having the amino acid sequence of a protein of the $TGF-\beta$ superfamily.
- 25. A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising administering to said patient an effective amount of a composition comprising a protein encoded by a DNA sequence selected from the group consisting of:
 - (a) nucleotides #496, #571 of #577 to #882 of SEQ ID NO:1;

 - (c) nucleotides #605 or #659 to #964 of SEQ ID NO:25; and
 - (d) sequences which hybridize to (a) (b) or (c) under stringent hybridization conditions and encode a protein which exhibits the ability to form tendon/ligament-like tissue.
- 26. A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising administering to said patient an effective amount of the composition comprising a tendon/ligament-like tissue inducing protein having an amino acid sequence selected from the group consisting of:
 - (a) amino acids #-25, #1 or #3 to #104 of SEQ ID NO:2;
 - (b) amino acids #1 or #19 to #120 of SEQ ID NO:4;
 - (c) amino acids #1 or #19 to #120 of SEQ ID\NO:26; and
- (d) mutants and/or variants of (a), (b) or (c) which exhibit the ability to form tendon and/or ligament.

27. A pharmaceutical composition for tendon/ligament-like tissue repair, said composition comprising an effective amount of a BMP-12 related protein in a pharmaceutically acceptable vehicle.

28. A method for treating tendinitis, or other tendon or ligament defect in a patient in need of same, said method comprising administering to said patient an effective amount of the composition of claim 27.